

Public Utilities Commission

Analyst: Milstead

Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
BY FUND CATEGORY					
Dedicated	4,375,300	4,134,700	4,344,100	4,548,300	4,516,400
Federal	57,800	9,300	55,300	66,000	65,400
Total:	4,433,100	4,144,000	4,399,400	4,614,300	4,581,800
Percent Change:		(6.5%)	6.2%	4.9%	4.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,069,300	2,910,800	3,082,800	3,143,600	3,125,500
Operating Expenditures	1,239,400	1,109,400	1,312,600	1,470,700	1,456,300
Capital Outlay	124,400	123,800	4,000	0	0
Total:	4,433,100	4,144,000	4,399,400	4,614,300	4,581,800
Full-Time Positions (FTP)	49.00	49.00	49.00	49.00	49.00

Department Description

The Idaho Public Utilities Commission was established by the 12th Session of the Idaho Legislature and was organized on May 8, 1913. The Commission oversees the intrastate operation of investor-owned electric, gas, water, and telecommunications utilities, pipelines, and railroads. The Commission does not regulate publicly owned municipal, or cooperative utilities. The Commission serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services to be delivered safely, reliably, and efficiently, and by ensuring safe and adequate rail services within the state.

After the legislature removed the motor carrier function from the Commission, the Administration, Utilities and Regulated Carriers programs were combined into one program for budgeting purposes. The commissioners are supported by two policy analysts, legal counsel, the utilities division, and an administrative division.

The Administration Division has management, fiscal, personnel and public affairs, pipeline, and railroad carrier responsibilities. It provides support services for the agency (Sections 61-301:337, Idaho Code). The railroad carriers function is responsible to assure that railroads operate safely and that the public is provided adequate rail service (Section 61-509, Idaho Code).

The Utilities Division includes: Accounting, Engineering, Economic, Telecommunications, and Consumer Assistance. The Accounting Section advises the Commission on auditing, accounting, financing, income tax and security issues. It participates in all rate cases to determine proper income, expenses, rate bases and revenue requirements. The Engineering, Economic, and Telecommunications Sections are primarily responsible for economic and engineering analysis of rates, rate design, and cost of service and technical evaluations of company proposals. The Consumer Assistance Section is responsible for handling customer complaints and specialized information requests.

Programs are funded by the Public Utilities Commission Fund which consists of fees collected from the regulated utilities (telephone, power, natural gas, and water corporations) in the amount of not more than 0.3% (currently .2577%) of their intrastate revenues (Section 61-1004, Idaho Code) and from railroad corporations not more than 1% (currently .8171%) of the gross operating revenues derived from the intrastate business. In prior years, General Fund expenditures for the salaries and benefits of the commissioners (section 61-1009, Idaho Code) were reimbursed to the General Fund at year end from the Public Utilities Commission Fund. However, beginning in FY 2001, the law was changed and Commissioner's salaries are now paid from the PUC Fund.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2003 Original Appropriation	49.00	0	4,399,400	49.00	0	4,399,400
Removal of One-Time Expenditures	0.00	0	(4,000)	0.00	0	(4,000)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2004 Base	49.00	0	4,395,400	49.00	0	4,395,400
Employee Benefit Costs	0.00	0	36,500	0.00	0	42,700
General Inflation	0.00	0	14,400	0.00	0	0
Nonstandard Adjustments	0.00	0	143,700	0.00	0	143,700
Change in Employee Compensation	0.00	0	24,300	0.00	0	0
FY 2004 Total	49.00	0	4,614,300	49.00	0	4,581,800
Change from Original Appropriation	0.00	0	214,900	0.00	0	182,400
% Change from Original Appropriation			4.9%			4.1%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation					
	49.00	0	4,344,100	55,300	4,399,400
Removal of One-Time Expenditures					
This removes one-time expenditures for capital outlay for the pipeline safety program.					
Agency Request	0.00	0	(2,400)	(1,600)	(4,000)
Governor's Recommendation	0.00	0	(2,400)	(1,600)	(4,000)
Base Adjustments					
This reflects increases in employee time for the pipeline safety program and anticipated increases in other program-related costs.					
Agency Request	0.00	0	(11,200)	11,200	0
Governor's Recommendation	0.00	0	(11,200)	11,200	0
FY 2004 Base					
Agency Request	49.00	0	4,330,500	64,900	4,395,400
Governor's Recommendation	49.00	0	4,330,500	64,900	4,395,400
Employee Benefit Costs					
Includes the employer portion of estimated changes in employee benefit costs. Most of this increase is due to a projected 14.7% increase in health insurance costs.					
Agency Request	0.00	0	36,100	400	36,500
<i>The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.</i>					
Governor's Recommendation	0.00	0	42,200	500	42,700
General Inflation					
Includes a general inflationary increase of 2.4% in operating expenditures.					
Agency Request	0.00	0	14,100	300	14,400
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
Nonstandard Adjustments					
Relects adjustments for State Controller, Attorney General, and Treasurer fees.					
Agency Request	0.00	0	143,700	0	143,700
Governor's Recommendation	0.00	0	143,700	0	143,700
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent positions.					
Agency Request	0.00	0	23,900	400	24,300
<i>The Governor does not recommend new funding for state employee pay increases. Compensation increases may be funded with agency salary savings wherever possible.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2004 Total					
Agency Request	49.00	0	4,548,300	66,000	4,614,300
Governor's Recommendation	49.00	0	4,516,400	65,400	4,581,800

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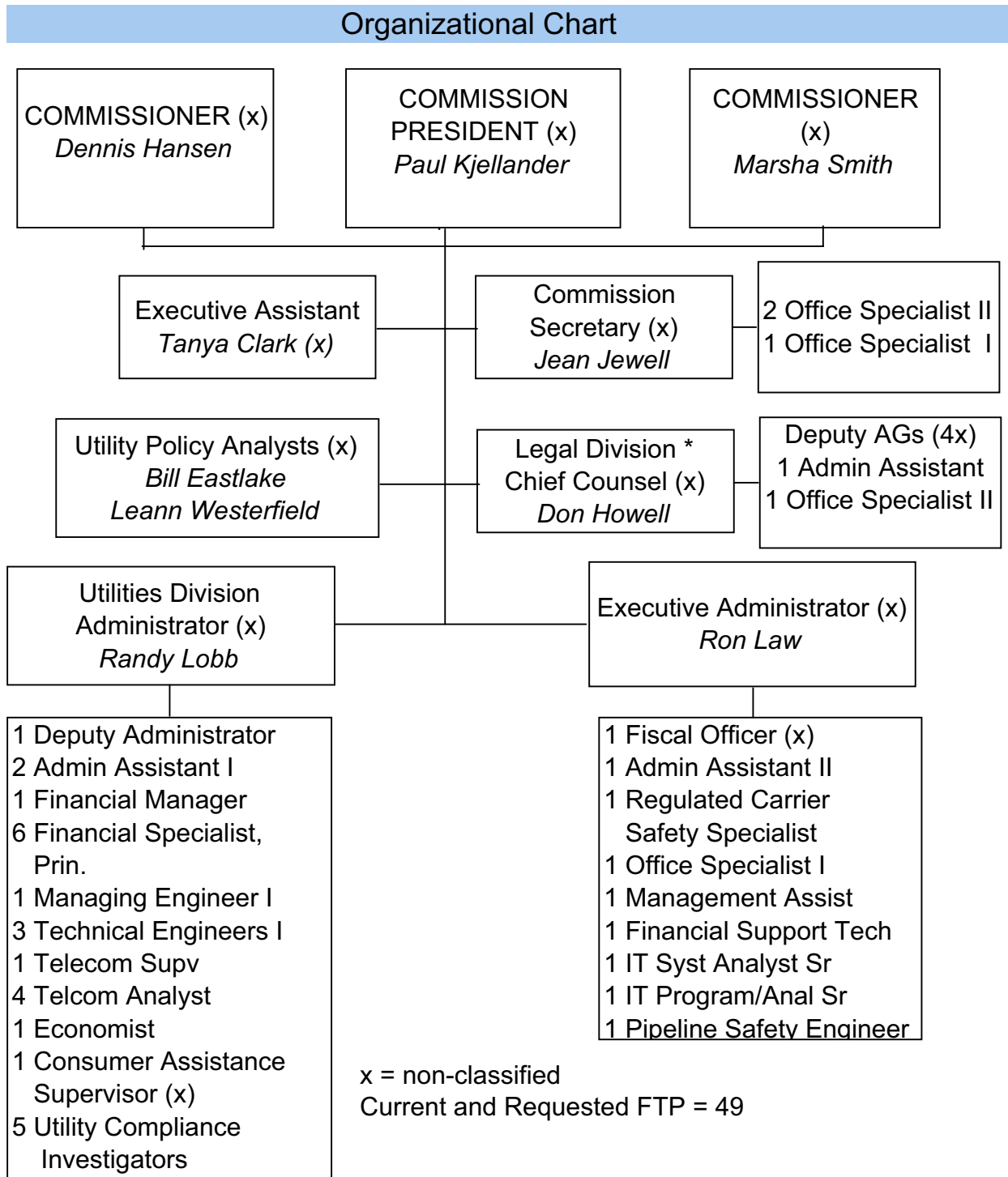
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	0.00	0	204,200	10,700	214,900
% Change from Original App	0.0%		4.7%	19.3%	4.9%
Governor's Recommendation					
Change from Original App	0.00	0	172,300	10,100	182,400
% Change from Original App	0.0%		4.0%	18.3%	4.1%

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Issues & Information

Analyst: Milstead



*Note: Attorneys General are paid through o.e. by contract with the AG's office and do not count as FTPs in this agency.

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Strategic Planning Act Performance Measures

Selected Measures	FY 2001 Act	FY 2002 Act	FY 2003 Est	FY 2004 Est
1. Number of formal workshops/public hearings	NA	68	68	68
2. Number of informal complaints	NA	5,301	5,301	5,301
3. Number of informal complaints investigated	NA	3,562	3,562	3,562
4. Number of cases overturned	0	0	0	0
5. Number of formal case applications filed	NA	182	182	182
6. Resolve issues using alternative dispute resolution	NA	5,269	NA	NA
7. Number of gas pipeline inspections	NA	40	40	40
8. Percent of complaints where commission reversed or modified the company's action	NA	4.0%	4.0%	4.0%
9. Average number of days to resolve complaints	4.2	6.0	5.0	5.0
10. Number of formal complaint investigations initiated	NA	5	5	5
11. Number of formal complaints	NA	6,881	6,881	6,881
12. Conduct railroad crossing safety inspections	135	199	130	130
13. Investigate railroad crossing accidents	32	33	35	35
14. Correct railroad crossing deficiencies	NA	28	NA	NA
15. Conduct hazardous materials inspections of railroad tankcars	456	685	525	525

Fund Information	FY 2001 Act	FY 2002 Act	FY 2003 Est	FY 2004 Est
Public Utilities Commission Fund				
Beginning Free Fund Balance	\$3,553,700	\$3,650,500	\$3,924,700	\$3,933,800
Regulatory Utility Fees (.2883% of intrastate rev)	4,021,500	4,229,600	4,207,100	4,207,100
Utilities Security Issuance Fees	6,100	10,300	8,000	8,000
Railroad Regulatory Fees (.7633% gross op rev)	133,100	213,600	137,000	137,100
Miscellaneous Receipts (sale of copies, etc.)	1,500	900	1,100	1,200
Total Available for Year	7,715,900	8,104,900	8,277,900	8,287,200
Cash Expenditures	4,065,400	4,180,200	4,344,100	4,447,400
Encumbrances as of June 30	0	0	0	0
Ending Free Fund Balance*	\$3,650,500	\$3,924,700	\$3,933,800	\$3,839,800

*The PUC needs to retain a Free Fund Balance of about 50% of the appropriation for cash-flow purposes.